

January/February/March 1998

TO: Executive Addressed

FR: James M. Alexander, President, eWatch

James E. Lukaszewski, APR, Fellow PRSA Chairman

RE: Counteracting Anti-Corporate Activism on the Net, Part I *

What do McDonald's, Tommy Hilfiger, Wendy's, Chrysler, General Electric, General Motors, Campbell's Soup Company, and Blockbuster Video have in common? These companies and hundreds of others have been or are the victims of highly visible, Internet-based boycotts, smear campaigns, online extortion, stock devaluation by short sellers, and other anti-corporate activism. Any company can become a target, but if you're No. 1, No. 2, or No. 3 in your industry category, it's very likely that you already are one .

Responding involves specific steps, specific protocols, and specific rules, some of which may seem counter-intuitive. Get ready for a different kind of outcome from people who have very different attitudes and ideas about what companies should be doing and how they should behave. Here are the more important response elements:

- Avoid panic. Scope out the situation. Incidents most often begin with the actions of a single individual. Early observation is crucial. Use a professional Internet monitoring service -- like eWatch (www.ewatch.com) -- to monitor the Internet daily. Amateur monitoring misses a lot.
- Assess the need to respond. You may not need to respond. The Net may take your position in responding. The exposure may be minimal or not affect critical discussion groups. Your business may not be affected after all.
- Look for everything to come out. Everything shows up on the Net. If lawsuits are filed, it's likely that all legal correspondence, including discovery documents, will be placed on the Web. So, be concise; be consistent. Expect to defend yourself beyond the courtroom.
- Shield employee identity. In certain highly emotional situations, use of a pseudonym with full attribution to the company will ensure the safety of employees.
- Follow the rules. There are established rules of conduct such as staying in the medium and avoiding self-serving comments when posting information, etc.
- Delete errors. Have erroneous posts removed from Internet search engines. When confronted with proof that a post is libelous, not true, or otherwise incorrect, the major search engines will delete them from their databases.

- Step out promptly. By not addressing obvious high-profile situations on a corporate web site, it can appear that the company is hiding something. The Net is a very public medium; you cannot hide.

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